



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
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To California Licensed Cigarette Distributors California to Introduce New Cigarette Tax Stamp by January 1, 2005

Senate Bill 1701, enacted in 2002, requires the Board of Equalization (BOE) to replace the current cigarette tax stamp with a high tech counterfeit resistant stamp by January 1, 2005.

BOE has selected a vendor to provide this new cigarette tax stamp. The new stamp will look like the image below—very different from stamps used in the past.

You should expect some changes to your stamping operation when the new stamp is put into use.

- **Stamp Ordering:** You will order the new stamps directly from the BOE by mail or fax, or electronically through a secure Internet connection.
- **Payments:** You will pay BOE directly for the stamps. Payments will no longer be made to the Bank of America. BOE will accept electronic fund transfers (EFTs), cashier's checks, personal checks, and cash. Distributors accustomed to deferred payments will then make payments to BOE rather than the bank.
- **Equipment:** You will need a new machine to apply the stamps to packs of cigarettes. Our equipment vendor will offer automatic application machines for sale or lease. If you prefer, you may purchase a manual application machine.
- **Scanning Devices:** To authenticate the new stamps, cigarette distributors, wholesalers, manufacturers, and retailers will be able to purchase an electronic scanner from our equipment vendor.

BOE will send you more information on the new stamps before January 1, 2005. In the interim, continue business as usual. If you have questions regarding stamp ordering and payments, you may call our Excise Taxes and Fees Division at 916-327-4207 (TDD/TTY: 800-735-2929). Staff is available to help you weekdays from 8 a.m. to 5 p.m., except state holidays.

If you have questions about the stamp application equipment, you may call Kevin Engram, Meyercord Sales and Marketing Manager, at 630-682-6232. In addition, if you have questions about the stamp or scanning devices, you may call Stephen Wass, SICPA Project Management Director, at 703-440-7766.

*Image removed for
security purposes.*

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